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EXAMINER

MYHRE, JAMES W

ART UNIT

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Please find below and/or attached an Office communication concerning this application or proceeding.

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Paper No. 18

Application Number: 09/216,206
Filing Date: December 18, 1998
Appellant(s): Kay et al

Edward J. Kelly
For Appellant

EXAMINER'S ANSWER

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This is in response to the appeal brief filed April 3, 2002.

(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

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(3) Status of Claims

The statement of the status of the claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Invention

The summary of invention contained in the brief is correct.

(6) Issues

The appellant's statement of the issues in the brief is correct.

(7) Grouping of Claims

The appellant's statement in the brief that certain claims do not stand or fall together is not agreed with because the appellant has failed to separately argue each claim. At most, the appellant has presented arguments against the rejection of two groups of claims - Group I: claims 1, 4, 5, and 11 and Group II: claims 3, 8, 9, and 10; with no argument presented at all in reference to the other pending claims. Based on the grouping of claims in the final rejection, the Examiner believes the following groups of claims should stand and fall together:

Group I: Claims 1, 4, 5, and 11; which includes storing advertisements on a web server, supplying selection criteria for view-ops, calculating and selecting advertisements with matching criteria, and basing the selection on the historical results of displaying the advertisements on the web site.

Group II: Claim 2; which adds scheduling the matching advertisements to Group I.

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Group III: Claims 3, 8, 9, and 10; which add performing each calculation after an initialization/evaluation period to Group II.

Group IV: Claim 6; which adds selecting, scheduling, and displaying the highest bids to Group I.

Group V: Claim 7; which adds using regressive techniques for calculating the performance of the advertisements to Group IV.

Group VI: Claims 12 and 13; which add that the bids are monetary bids to Group I.

Group VII: Claims 19 and 22; which includes storing advertisements and advertisement campaign information on a web server, supplying selection criteria for view-ops, calculating and selecting advertisements with matching criteria, and basing the selection on the historical results of displaying the advertisement on the web site and on the advertisement campaign information.

Group VIII: Claim 20; which adds comparing the demographic profile information about the user with the view-op to Group VII.

Group IX: Claim 21; which adds comparing information from the website with the view-op, and

Group X: Claim 23; which adds providing effectiveness statistics to the advertisers to Group VII.

(8) *Claims Appealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

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(9) Prior Art of Record

The following is a listing of the prior art of record relied upon in the rejection of claims under appeal.

5,974,398	HANSON et al	10-1999
5,991,735	GERACE	11-1999

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-13 and 19-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hanson et al (5,974,398) in view of Gerace (5,991,735).

Claims 1, 4, 5, and 11: Hanson discloses a system and method for presenting advertisements online, comprising:

- a. Storing advertisements on a web server (col 5, lines 48-50);
- b. Supplying selection criteria for view-ops (accessing web site)(col 3, lines 50-56);
- c. Calculating and selecting advertisements with matching criteria (col 5, lines 3-10); and
- d. Basing the selection on the historical results of displaying the advertisement on the web site (col 4, line 61 - col 5, line 2).

While Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts, Hanson does not

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explicitly disclose that the calculations take into account the effectiveness of displaying the advertisement on the site. Gerace discloses a similar system and method for determining a behavioral profile of a computer user in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits received, and number of subsequent purchases made by customers (col 3, lines 18-26, col 4, lines 54-61, and col 5, lines 54-67). It is also well known within the marketing art to increase or decrease the amount of marketing funds spent on an advertising medium based on the effectiveness of that medium, such as tracking the effectiveness of an advertisement in a particular magazine compared to the same advertisement in a different magazine. This is the basis for setting up any kind of effective marketing and promotional campaign, no matter what medium or mix of media is used. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include this information as part of the criteria used by Hanson to select the advertisement. One would have been motivated to include the historical data of the site in order to increase the effectiveness of the marketing funds spent.

Claim 2: Hanson and Gerace disclose the system and method for presenting advertisements online as in Claim 1 above. Both references further disclose scheduling the matching advertisements (Hanson, col, 7, lines 5-21)(Gerace, col 15, lines 21-33).

Claims 3, 8, 9, and 10: Hanson and Gerace disclose the system and method for presenting advertisements online as in Claim 2 above. Gerace further discloses performing the calculation for each view-op after an initialization/evaluation period (col 4, lines 44-61; col 14, lines 17-45; and col 17, lines 22-44). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include an initialization/evaluation period for new users of Hanson's system. One

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would have been motivated to include an initialization/evaluation period in order to allow “sponsors to better direct their advertisements and enables advertisements to be tailored to target users’ display preferences” as stated by Gerace (col 4, lines 59-61).

Claim 6: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 4 above. Hanson further discloses selecting, scheduling, and displaying the highest bids (col 5, lines 38-42 and col 8, lines 1-10).

Claim 7: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 6 above. Gerace further discloses using regressive techniques for calculating the performance of the advertisements (col 5, lines 54-67). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include past, present, and projected future performance data of each advertisements to the sponsor in the Hanson system. One would have been motivated to include all types of performance data in order to enable the sponsor to make better marketing decisions in regards to the type of advertisement and the level of the corresponding bid.

Claims 12 and 13: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claims 1 and 4 above. Both references further disclose that the bids upon which the selection is based are monetary bids (Hanson, col 5, lines 39-42)(Gerace, col 12, lines 30-50).

Claims 19 and 22: Hanson discloses a system and method for presenting advertisements online, comprising:

- a. Storing advertisements (col 5, lines 48-50) and advertisement campaign information (col 6, lines 6-20) on a web server;
- b. Supplying selection criteria for view-ops (accessing web site)(col 3, lines 50-56);

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- c. Calculating and selecting advertisements with matching criteria (col 5, lines 3-10); and
- d. Basing the selection on the historical results of displaying the advertisement on the web site and the advertisement campaign information (col 4, line 61 - col 5, line 2).

While Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts, Hanson does not explicitly disclose that the calculations take into account the effectiveness of displaying the advertisement on the site. Gerace discloses a similar system and method for determining a behavioral profile of a computer user in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits received, and number of subsequent purchases made by customers (col 3, lines 18-26, col 4, lines 54-61, and col 5, lines 54-67). It is also well known within the marketing art to increase or decrease the amount of marketing funds spent on an advertising medium based on the effectiveness of that medium, such as tracking the effectiveness of an advertisement in a particular magazine compared to the same advertisement in a different magazine. This is the basis for setting up any kind of effective marketing and promotional campaign, no matter what medium or mix of media is used. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include this information as part of the criteria used by Hanson to select the advertisement. One would have been motivated to include the historical data of the site in order to increase the effectiveness of the marketing funds spent.

While Hanson does not explicitly disclose determining a display schedule (based on the advertising campaign information and advertisement effectiveness) and determining whether or not to display the selected advertisement based upon the display schedule, Hanson's disclosure of the stored

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advertising campaign data including such data as the start and end dates of the campaign, budget constraints, exhaustion of promotional samples, and the like (col 8, lines 14-17), renders it obvious to check this data to ensure the viewing opportunity falls within these limiting factors (such as between the start date and the end date) and to preclude the display of the advertisement if the viewing opportunity falls outside these limiting factors. One would have been motivated to stop the display of the advertisement when the viewing opportunity did not fall within the limiting factors in order to better conform to the desires (and budget constraints) of the advertiser's marketing campaign.

Claim 20: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses comparing the demographic profile information about the user with the viewing opportunity (col 7, lines 10-21).

Claim 21: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses comparing information from the website (type of site) with the viewing opportunity (col 8, lines 17-23).

Claim 23: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses providing effectiveness statistics (feedback) to the advertisers (col 8, lines 28-32). Gerace's disclosure also includes reporting the effectiveness of the advertisement to the sponsor in various report formats, such as an Overview Report, a Detailed Package Report, a Demographic Report, a Psychological Profiling Report, and others (col 13, lines 12-55).

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(11) Response to Argument

a. The Appellant argues that Hanson makes “advertisements available to an on-line service provider; not to a web site as recited in the claimed subject matter” (page 4); and that it would be pointless to try to “measure the effectiveness of a combination advertisement and an on-line service provider” (pages 4 and 5). The Examiner notes that Hanson shows in Figures 4 and 5 that the user is connected to and viewing a web site entitled “southeastern tennis bulletin board”. While the Examiner supposes that an unnamed tennis organization could possibly also be providing Internet connection service (i.e. the Appellant’s on-line service provider) to Hanson’s user, it would be highly unusual. Furthermore, there is no basis anywhere in Hanson to support such an supposition. Therefore, Hanson is recording and tracking the usage of a website, not a on-line service provider. This is further supported by the Appellant admission that “Hanson discloses a historical database which is used to record and track the **usage of the site** by various customers and for adjusting the advertiser’s subsequent bid amount” (page 5)(emphasis added).

b. The Appellant further argues that neither Hanson nor Gerace disclose the significance of measuring the effectiveness “that may arise when a particular ad is shown in combination with a particular view-op” (page 5). The Appellant then states that Gerace “describes a method that utilizes an advertisement success rate to alter the advertisement’s characteristics “to see what characteristics are important, and who (type of user profile) the ad appeals to most”” (page 6). The Examiner notes that Gerace initially shows “agate” information (i.e. stock market data, weather, sports, etc.)(col 4, lines 31-39) on a web site and tracks the user’s interaction with such agate information. The system then uses the tracking data to make certain inferences about the user “based on the user’s viewing habits and the

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specific pieces of agate information he views, including content and presentation of that information” (col 4, lines 44-50). Finally, Gerace uses the inference about the user to select customized advertisements to present to the user as the user browses the web sites containing the agate information (col 4, lines 58-64) in order better target the user. Thus, it is obvious that Gerace is calculating the effectiveness of the advertisement based not only on its own characteristics but also on the characteristics of the agate information being presented on the web site (col 8, line 38 - col 9, line 8). Hanson discloses this feature even more explicitly in Figures 4 and 5 where the user is viewing a web site about tennis and the advertisements he may select from are all sports-related (Figure 4), such as the advertisement “Wilson Sport January Tennis Specials” (Figure 5). Therefore, the references are measuring the effectiveness of the advertisements as they are presented on specific agate information web sites.

c. The Appellant argues in reference to Claims 3, 8, 9, and 10 that Gerace performs a regression analysis at scheduled intervals, which is not equivalent to performing an effectiveness calculation for each view-op after an initialization/evaluation period. The Appellant then states that “A scheduled updating of information at fixed intervals is not the equivalent of an initialization or evaluation period” (page 6). As the Examiner noted to the Appellant in paper number 10 in response to this argument, “*Gerace discloses an example where the program runs an initial regression after the advertisement has received 10,000 hits to determine what characteristics are important, and then runs additional regressions periodically. This initial regression is the “initialization or evaluation period” for the Gerace system. The subsequent regressions are for updating the initial evaluation.*” Since the results of these regression analyses are used to determine how effective the current advertisement is and whether it needs to be changed (i.e. a different advertisement selected), the Examiner considers it to be the equivalent to the

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Appellant's effectiveness calculation. Whether the advertiser wants to run this analysis after each view-op, every other view-op, or every 10,000 view-ops is a design decision of the advertiser and does not effect the method steps of either the Appellant's invention or the references' inventions. It is obvious that the advertiser could select any number as the threshold number upon which the analysis is run.



For the above reasons, it is believed that the rejections should be sustained.

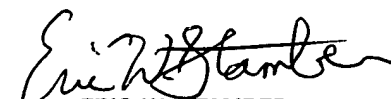
Respectfully submitted,


JWM

May 2, 2002

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